

Tyrone Operations P.O. Box 571 Tyrone, NM 88065

May 23, 2022

Certified Mail #70150640000476263063 Return Receipt Requested

Mr. David Ohori Energy, Minerals and Natural Resources Department Mining and Minerals Division Mining Act Reclamation Program 1220 South St. Francis Drive Santa Fe, NM 87505

Dear Mr. Ohori:

Re: Tyrone Mine Permit GR010RE, Tyrone Mine Emma Expansion Application Response Letter

Freeport-McMoRan Tyrone Inc. (Tyrone) submitted an application for an expansion to the Tyrone Mine for the Emma Project on October 22, 2021 and Closure/Closeout Plan (CCP) on November 12, 2021. In a letter dated April 8, 2022, Mining and Minerals Division (MMD) provided comments. This letter is in response to MMD's comments.

Below are MMD comments in italics followed by Tyrone's.

1. Tyrone Response to requirements of 19.10.5.502.D(2) NMAC, Attachment 1, page 2 of 5, and Figure 1, Owners of Surface and Mineral Estates within the Proposed Emma Area. Tyrone notes that a certain portion of the Emma Project surface area is owned by the LT Ranch LLC and is currently under contract of sale to Tyrone, as shown in Figure 1 (Owners of Surface and Mineral Estates Within the Emma Area). Please inform MMD as soon as Tyrone is the surface landowner of this property.

Tyrone purchased the LT Ranch LLC area on December 17, 2021. Attached is the Land Division Survey of Property of LT Ranch LLC. that Tyrone purchased.

2. Tyrone Response to requirements of 19.10.5.502.D(4) NMAC, Attachment 1, page 2 of 5 – The Tyrone response refers to Attachment 3, Tyrone Mine Emma Expansion Project Site Assessment Summary. MMD will comment on Attachment 3 separately

in this letter. Comment 13 below addresses community impacts from the Emma Expansion. Comment 14 below addresses wildlife impacts.

See Tyrone's responses to comments 13 and 14.

3. Tyrone Response to requirements of 19.10.5.502.D(7) NMAC, Attachment 1, Evidence that other state and federal permits to be obtained either have been or will be issued before the activities subject to those permits begin, page 4 of 5 refers to Table 3, Summary of Emma Expansion Project Related Permits. Tyrone states that a full description of the applicable state and federal under which the Tyrone Mine operates will be included in Section 2.4 of the Emma CCP. However, Section 2.4, Permits and Discharge Plans, page 13 of the CCP does not appear to provide a full description of the applicable state and federal permits and refers to Table 2-2, of the CCP that presents the same information as Table 3 of the Application. Please provide detailed information including the description and the status of each permit. Also, see Comment 4. below.

See Tyrone's response to comment 4. See attached Table 1. Descriptions and status were added. Permits not specifically related to the Emma project were removed.

4. Table 3, Summary of Emma Expansion Project Related Permits. Comments received by MMD from the New Mexico Environment Department ("NMED") Surface Water Quality Bureau ("SWQB"), dated March 3, 2022, indicate that excavation or construction in areas outside the jurisdictional determinations by the U.S. Army Corps of Engineers ("USACE") may be subject to Clean Water Act Section 404 permitting and that Tyrone should contact the USACE in Albuquerque, NM to ensure that mining activity for the Emma Project will not require Section 404 permit authorization.

Tyrone applied for a Jurisdictional Determination from the U.S. Army Corps of Engineers (USACE) for the Emma Project Area on November 3, 2021 and communicated extensively with them. USACE found the Emma project area is not subject to the Clean Water Act Section 404 permitting. Tyrone received an approved jurisdictional determination (AJD) for the proposed Emma project disturbances in the Oak Grove Wash and surrounding areas in a letter dated March 31, 2022.

5. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.A NMAC, page 1 of 19 states that the Emma operations will be conducted in accordance with the Emma Material Characterization and Handling Plan (LCG 2021). Please provide MMD with a copy of the Emma Material Characterization and Handling Plan.

Attached is a CD with a copy of the DP-396 application which includes the Emma Material Characterization and Handling Plan.

6. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.B(2)(a), page 4 of 19 states that the Emma Expansion area will be reclaimed for a post-mining land use (PMLU) of wildlife habitat. Will the Emma pit sump be reclaimed to a wildlife PMLU? If not, please state the PMLU for the Emma pit sump.

Tyrone's proposed reclamation is not limited to establishing vegetation. Water management is an important aspect of reclamation as is restricting bird and large animal access to process water that accumulates in the Emma pit water management sump where it presents a risk to wildlife. Tyrone believes that implementing measures to restrict wildlife access to process water that may present a risk to wildlife and that accumulates and is managed in the bottom of the pit, is an important reclamation activity consistent with creating wildlife habitat in other parts of the pit. Tyrone proposes a PMLU of water management and treatment in the pit water management sump and on lower pit walls composed of potentially acid generating (PAG) mineralogy. The reclamation activities for these parts of the pit will be to manage water efficiently to the Emma pit water management sump, where it will then be pumped to Tyrone to be incorporated into the process water circuit and post-closure water treatment facilities.

Tyrone will update any applicable figures and language in the CCP to reflect these changes in the next submittal (when all comments are received), including the PMLU as water management and treatment where applicable.

7. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.B(4), Hydrologic Balance, page 5 of 19. How will stormwater run-on into the Emma Expansion area be diverted or controlled?

Page 9 of 19 of Tyrone's application addresses the question of run-on and diversions. There are no diversions proposed and the rationale is included within the information contained in the application outline.

8. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.B(4)(b), Hydrologic Balance, page 8 of 19. See attached NMED Surface Water Quality Bureau comments regarding the proposed EMW Waste stockpile and Oak Grove Wash.

See Tyrone's response to NMED Surface Water Quality Bureau comments.

9. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.B(11), Explosives, page 12 of 19. MMD has been contacted by the New Mexico State Land Office regarding restricting public access to state trust land adjacent to the Emma Expansion area and indicated that Tyrone has been contacted regarding this issue. Please advise MMD of the status of this issue.

Tyrone is in communication with the State Land office to enter into an agreement that will effectively restrict public access during mining activities. Tyrone will inform MMD when the arrangement is completed.

10. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.C(2), Site Stabilization and Surface Configuration, page 13 of 19. Permit No. GR010RE, Revision 09-1, Section 9.C, Construction Quality Assurance Plan requires a final design and Construction Quality Assurance (CQA) plan at least 180 days prior to commencement of reclamation activities. Pursuant to Section 9.C.2 of Revision 09-1, the CQA shall be supplemented with a CQA final report within 180 days after reclamation construction, not a Final Design as stated in the Application.

Thank you for pointing out this typo. The final design is part of the CQA Plan.

11. Attachment 2, Fulfillment of Permit Revision Application Requirements, Section 19.10.5.508.C(3), Site Stabilization and Surface Configuration, page 14 of 19. This section states that a one-foot-thick layer of soil material from the Soil Stockpile will be placed over backfilled and graded area surfaces to enhance the seedbed at the surface and then the area will be revegetated. MMD will provide comments on the Appendix D, Characterization of Suitable Soils and Overburden and Soil Salvage Plan for the Emma Expansion Project of the CCP regarding the proposed vegetative cover material plan.

No response required.

12. Tyrone Mine Emma Expansion Project Site Assessment Summary, (4) Description of waste stockpiles and their impact on the hydrologic balance, drainages, and air quality, page 2 of 4, states that Tyrone is testing the physical and chemical soil suitability characteristics of the waste rock materials to confirm that the materials meet suitability criteria for reclamation cover. MMD will provide comments on the Appendix D, Characterization of Suitable Soils and Overburden and Soil Salvage Plan for the Emma Expansion Project of the CCP regarding the proposed vegetative cover material plan.

No response required.

13. Attachment 3, Appendix A, Economic Impacts Assessment. Tyrone provides a summary of economic impacts of the Tyrone Mine to the local community that includes New Mexico Community Investment in Education and STEM Support, Economic Development and the Economic Impact to Grant County and New Mexico. An assessment of any negative economic impacts of the proposed Emma Expansion Project was not included. Please indicate any negative economic impacts of the proposed Emma Expansion Project or explain why they were not included in the assessment.

Tyrone assessed the potential economic impacts to the area, regardless of it being positive, negative, or no impact. Tyrone has not identified any negative economic impacts from operating the Tyrone Mine or the Emma Expansion to an existing mine.

The only negative economic impact to the area Tyrone has identified would be caused by the delay or denial of the permit, which could cause premature closure of the Tyrone Mine and loss of the significant positive economic impact presented in the assessment.

14. Attachment 3, Appendix B, Emma Project Wildlife and Habitat Impact Assessment. MMD has received comments on this assessment and on the CCP from the New Mexico Department of Game and Fish ("NMDG&F"). Please see the attached NMDG&F comments.

See Tyrone's response to New Mexico Department of Game and Fish (NMDG&F) comments.

15. Attachment 3, Appendix C, Emma-Oak Grove Rare Plan Survey. MMD has received comments on this survey and the CCP from the New Mexico State Forestry Division ("NMSFD"). Please see the attached NMSFD comments.

See Tyrone's response to New Mexico State Forestry Division (NMSFD) comments.

16. Attachment 4, Emma Blasting Plan. See comment 9 above. Section 1.0, Plan to Prevent Injury to Persons, page 2, states that the blast area limits for personnel will be 1,500 feet. Appendix B, Emma Overview Google Earth Image shows the proposed Emma Blasting Area. Parts of the proposed Emma Blasting Area may be within 1,500 feet of state trust land. Please specify the safety procedures that may be implemented to prevent injury to persons present on the state trust land during blasting.

See Tyrone's response to Comment 9.

17. Attachment 5, Northern and Southern Emma Haul Road Preliminary Design, Section 4.0, Steps for Assuring Facility is Non-Discharging, page 2. Tyrone states that it will open a repository for the excavated potentially acid generating material ("PAG") on the top surface of the reclaimed 7A stockpile to the east of the cut area for the north portion of the North Emma Haul Road. Please show the proposed location of the PAG repository on a drawing or map of the reclaimed 7A stockpile and provide approximate dimensions and possible amounts of PAG material that may be deposited there. How will the PAG material be stored to avoid acidic stormwater runoff from affecting the reclaimed 7A stockpile area? Also, Tyrone proposes to store up to two feet of the existing cover excavated from the north portion of the Northern Emma Haul Road for later use as cover material. Please provide an approximate location on a map or drawing of the reclaimed 7A stockpile where the excavated cover material will be stored, and provide an approximate volume for this excavated material.

Tyrone has updated the mine plan to haul the PAG material to an existing permitted PAG stockpile. Tyrone will update the CCP to reflect this change in the next submittal (when all comments are received).

Below is Tyrone's response to NMSFD comments.

No response required.

Below is Tyrone's response to NMDG&F comments.

The Emma Project Wildlife and Habitat Impact Assessment has been updated (see attached CD with electronic copy) to reflect breeding season being from March 1 through September 1.

To the extent possible, Tyrone will conduct ground disturbances outside the breeding season. If not practicable, Tyrone will conduct nest surveys and follow the Migratory Bird Act. Tyrone agrees with the G&F comment to utilize power lines that meet bird protection standards and employs these measures in our power line planning and construction for the mine.

While evaluating the Emma open pit for reclamation purposes, Tyrone found an opportunity to partially backfill the open pit, for water management purposes, during operations. Tyrone also proposed to minimize the area of the sump by a partial backfill near the bottom of the pit. Tyrone has also proposed to cover the small remaining area of the sump. This prevents access by wildlife while

maintaining an efficient and sustainable method for pit water management. The method of water management using a barge pump, is the best method for maintaining an operational system for water management based on many, many years of experience in this environment.

It is environmentally unsound to backfill the pit to the point that it does not function as a hydraulic sink or even to a point that will likely not allow efficient water management for the long term. Pumping will be required beyond 100 years; however, it has been agreed for many years that providing 100 years of financial assurance is suitable where pumping is expected to be required indefinitely.

The proposed measures are realistic and effective way to protect wildlife.

Tyrone has proposed to use an approved seed mix at Emma that has been successfully used at Tyrone, Little Rock, and Chino Mines and is comprised of native species adapted to the regional climate. The MMD has approved non-native species for specialized reclamation seedings including annual cover crops, but FMI prefers to use native species. When possible, the seed is sourced from regionally adapted varieties or germplasm. Seed suppliers test each seed mix for weed seed including noxious species and report that information on the seed tags. Tyrone also uses a certified weed free mulch at all the reclaimed sites.

Below is Tyrone's response to Department of Cultural Affairs Historic Preservation Division comments.

No response required.

Below is Tyrone's response to Mining Environmental Compliance Section and NMED comments.

No response required.

Below is Tyrone's response to New Mexico Air Quality Bureau (AQB) comments.

Tyrone has two air quality permits (Title V and NSR) that include the Emma Project. Tyrone will follow all permit conditions therein.

Comments issued by the Surface Water Quality Bureau (SWQB) are provided in italics below, followed by Tyrone's response:

The west toe slope of the EMW stockpile will intersect the Oak Grove Wash floodplain to an unspecified extent. The Ground and Surface Water Protection

regulations authorized by the New Mexico Water Quality Act prohibit disposal of "refuse in a watercourse" under 20.6.2.2201 NMAC and mine waste may qualify. The SWQB requests that the Applicant propose a setback from Oak Grove Wash that prevents impacts to Oak Grove Wash.

During operations, the channel of the Oak Grove Wash will be temporarily routed through culverts to the north side of the Southern Emma Haul Roads, as shown in the operational layout depicted on Sheet 2 of Attachment 5 of the GR010RE Permit Revision Application that was submitted to the MMD on October 22, 2021. The west toe slope of the EMW stockpile will not intersect the channel of the wash during operations. At closure, the Southern Emma Haul Road will be pulled back to facilitate restoration of the Oak Grove Wash channel to its original location, as shown on Sheet 4 of Appendix A-2 of the Emma Project Closure/Closeout Plan that was submitted to MMD on November 12, 2021. These activities will preclude the EMW stockpile from intercepting the Oak Grove Wash both during operations and at closure.

Below is Tyrone's response to the Office of State Engineer (OSE) comments.

While reviewing well M-10584-POD34 drill records, an error in the description was found. Tyrone is in the process of submitting an amended well log that corrects the casing discrepancy to OSE and is discussing a potential waiver on the construction of the annular seal. Tyrone is also working with OSE in regard to the permitting requirements they may need for well MB-44.

Please contact Ms. Mandy Lilla at (575) 912-5388 if you have questions.

Sincerely,

>homas J. Ahelley

Thomas L. Shelley Environmental Manager Environmental Services

TLS:rmr 20220523-100

c. Holland Shepherd – MMD Brad Reid – NMED

Freeport McMoRan Tyrone Inc. Table 1. STATUS AND DESCRIPTIONS OF APPLICABLE STATE AND FEDERAL EMMA PERMITS				
GR010RE	Tyrone Mine Permit	MMD	Current	NA
DP-396 ¹	Groundwater Discharge Permit - No. 1C Stockpile and Associated Stockpiles	NMED	Renewal submitted on 1/12/2012 Updated renewal & modification submitted for Emma Expansion on 10/22/2021	May 18, 2012
DP-1341	Supplemental Discharge Permit for Closure	NMED	Current - Renewed 9/20/2021	September 20, 2020
NMR053073	NPDES Storm Water Multi-Sector General Permit Not applicable due to Approved Jurisdictional Determination (AJD)	U.S. EPA	Current - MSGP 2021 issued 6/25/2021, AJD was received in 2021.	February 28, 2026
PSD-2448M7-R1	NSR Air Quality Operating Permit - All Sources at Tyrone Mine	NMED	Current	NA - Revisions are need based
P147-R3	Title V Air Quality Operating Permit - All Sources at Tyrone Mine	NMED	Current	Renewal application date 3/4/26. Permit expiration date: 3/4/27
Application Pending	Permit Number to be Determined; Water Rights - alternate point of diversion;	NM OSE	Application Pending - Tyrone has more than sufficient water rights for Emma project - no new water rights will be requested	
Notes:		1000 ACD		
- The Emma Expansion area will be incorporated into DP-396 as part of the DP-396 renewal and modification application. NA = Not applicable				
MMD = Mining and Minerals Division NMED = New Mexico Environment Department				
MM OSE = New Mexico Office of State Engineer				

NM OSE = New Mexico Office of State Engineer U.S. EPA = Unites States Environmental Protection Agency

LAND DIVISION SURVEY OF PROPERTY OF LT RANCH, LLC. -WITHIN THE S2 OF SECTION 25, THE W2 OF SECTION 36, AND THE E2 & NEANWA OF SECTION 35, T19S, R15W, N.M.P.M., GRANT COUNTY, NEW MEXICO

LEGAL DESCRIPTION PARCEL A

PARCEL A A pare of a final located within the SJ of Section 25, the Wg of Section 35, and the EJ of Section 35, T195, R15W, N.M.P.N., Crare County, New Mexico, being more particularly described as follows: Beginning at the NW Corner, also being a point on the Westerly right-of-way of N.H.Byhawy 90, whence the NE Corner of aad desction 25 bears 58 01950° E, a distance of 1593 56 test; Thence along suit right-of-ways 05 00°30° E, a distance of 1593 56 test; Thence along suit right-of-ways 05 00°30° E, a distance of 2721.45 test to pixt on the North line of said Section 36, Thence along suit right-of-ways 05 00°30° E, a distance of 1185.32 feet to the Ng Corner of said Section 36

No. 100°32°17°W, a distance of 3753.70 leet; 832°43°1°W, a distance of 191.51 feet to a point on the East line of Little John Lode, Mineral Survey 1380, 4ong the East line of said Little John Lode N 03°5602°E; a distance of 144.18 feet to the NE Corner of aud Lode;

ang the North line of said Little John Lode N 85"02'28" W, a distance of 1499.38 feet to the NW Corner of said

n Lode; in Lode; laborg the Visit line of axid Little, John Lode 5 04/00/17: W, a distance of 1499,38 feet to the NW Corner of kail aborg the Visit line of axid Little, John Lode 5 04/00/17: W, a distance of 263,53 feet; 180/2247: W, a distance of 4730,70 kef 180/2247: W, a distance of 4730,70 kef to a point on the South line of Iron Cross Lode, Mineral Survey 1582; drong the South line of axid from Cross Lode N 85/29/37: E, a distance of 608,80 feet to the SE Corner of said 1.040;

ne Lode ce along the North line of said Surprise Lode N 57'41'47' W. a distance of 61'12'16'16' to MUNR over of aid iss Lode, also being the NE Conner of Antanasa Lode, Minnel Survey 137', ce along the Iobin for a clasid Antanasa Lode N 57'4'4'' W. a distance of 31'12'1 feet to a point on the South line ce along the South line of said Tamytown No. 25 Lode N 53'4'3'34''E a distance of 30.4.22 feet to the SE Conner of familyman No.2 feet, along

said Tampton No. 25 Lode; Thence along the East line of said Tamptown No. 25 Lode N 42°20759" W, a distance of 600.42 (red to the NE Comer of said Tamptown No. 25 Lode; also being the SV Comer of Tamptown No. 26 Lode; Mineral Survey 1970; Thence along the South line of said Tamptown No. 26 Lode N 66°1700" E, a distance of 1500.00 (red to the SE Comer of said Tamptown No. 26 Lode;

Phatemin Lode: Therean Lode: Therean Configure 1 and the of start Phatemin Lode 5 20107127 W, a distance of 290 AL Sett: Therean configure 1 along the West line of start Phatemin Lode 5 47051157 W, a distance of 1257.23 feet to the SW Conner of start Phatemin Lode: Therean Education Lode: Therean Education Lode: Therean Education Lode: Start Start Design a point on the Vest line of Constant Lode, Marel Start Sett To the SW Conner of start Therean Lode: Therean Lode: Therean Education Lode: Start Start Design a point on the Vest line of Constant Lode, Marel Start Sett To the SW Conner of start Therean Education Lode: Start Start Design a line of the Vest line of Constant Lode, Marel Start Sett Sett Sett Des SW Conner of start Constants Lode: nche Lode; e along the Sould line of said Comanche Lode S 67/3226° E, a distance of 683.47 feet to the SE Corner of said nche Lode, also being the SW Corner of Comanche Barve Lode, Mineral Survey 1377; e along the Soult in of said Comanche Barve Lode S⁷³/9470° E, a distance of 83.43 feet to the Se Corner of Smanche Barve Lode, slob Deing a point on the West line of Harriman Lode, Mineral Survey 1377; a salong the West line of said Aramanche GS S0/4610° W, distance of 873.84 feet to the SW Corner of said

Namman Loós: Thomsa along the South line of asid Harriman Loós 5 63*4113*E, a distance of 238.45 feet to a point on the North line of Iron Creas Loos, Mineral Survey 1552, Therein along the North line of asid Iron Creas Loos 5 85*3010*W, a distance Thoman M South The Valid South Creation 25 75 feet; Thoman N 4472:40*W, a distance of 250:43 feet Thoman N 4472:40*W, a distance of 250:43 feet Thoman N 4472:40*W, a distance of 250:43 feet Thoman N 4272:47*W, a distance of 250:43 feet Thoman N 257:47**E, a distance of 240:43 feet to a point on the North line of asid Section 35, Thomas Along the North line of asid Section 35 & 80 °2747*E, a distance of 145.70 feet to the point of beginning. Said parend instraine 01:568 areas, more of Has.

PARCEL B A partiel of land boated within the VMg of Section 36, the NEJRV/I, and the EJ of Section 35, T195, R15W, N.M.P.M., Chard, County, New Mexico, being more particularly described as follows: Thinners along the Numb in of static Section 35 G B⁺/247⁺E, a datance of 2708.28 feet to a point on the West line of Phantem Loop No. 2, Mineral Survey 1564; Thorse along the Vest line of said Francisco Look No. 2 S 2⁺/247⁻/E, a datance of 577.23 feet to a point on the North. Thorse along the Numb in of static Section Look No. 2 S 2⁺/247⁻/E, a datance of 276.69 feet to the NW Corner of said Thorse along the Numb in or disal Sharman. Look No. 25 2⁺/247⁻/E, a datance of 276.69 feet to the NW Corner of said

LEGAL DESCRIPTION PARCEL B

